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20 April 1960

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DATE 22/6/81 REVIEWER: 018373

**MEMORANDUM FOR THE RECORD**

**SUBJECT:** Approval of Amendment No. 3 to Contract No. SE-509,  
Granger Associates, Palo Alto, California, Project  
CHALICE

1. This memorandum contains a recommendation submitted for the approval of the Deputy Director (Plans). Such recommendation is contained in paragraph 6.

2. Contract No. SE-509 covered the procurement of two (2) Model 504A Radar Repeater Jammers, two (2) sets of spare parts and a set of test equipment. The contract was negotiated and written on a Fixed Price Redeterminable basis with price re-termination after completion of all deliveries. Deliveries have now been completed and the parties have negotiated and agreed upon a final price. The final price negotiated is \$69,283.89 as against an original Contract Target Price of \$83,986.11.

3. Settlement was made on the above basis for the reason that an analysis of the Contractor's final costs versus the original quotation indicated the Contractor effected substantial savings in its own labor and produced the desired item within a very tight delivery schedule. In view of the foregoing, approval of the final price as evidenced by this Amendment No. 3 is requested.

4. Amendment No. 3 reduces the obligation under the contract by the sum of \$21,188.22, said amount to be credited to Fiscal Year 1959 Project CHALICE Funds. By concurrence to this memorandum

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the Comptroller signifies that funds have been adjusted as provided above.

5. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress, (formerly 10(b) - see 85-507 dtd 7/7/58) for each contract.

6. Approval of Amendment No. 3 to Contract No. SE-509 and execution thereof on behalf of the Agency by the authorized Contracting Officer is recommended.

[Redacted Signature]  
Contracting Officer, DPD

CONCURRENCES:

[Redacted Signature]  
Comptroller, DPD

4/21/60  
DATE

[Redacted Signature]  
Chief, Development Branch, DPD

April 26, 1960  
DATE

[Redacted Signature]  
Office of General Counsel

April 27, 1960  
DATE

[Redacted Signature]

WILLIAM BURKE  
Colonel, USAF  
Acting Chief, DPD-DD/P

29 Apr 1960  
DATE

The recommendation contained in paragraph 6 is approved:

[Redacted Signature]  
RICHARD M. BISSELL, JR.  
Deputy Director (Plans)

DATE

DPD-CB [Redacted]  
Distribution:  
Orig - CB/DPD SE-509  
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